

These reserves have strengthened the City's credit rating. A strong credit rating is important because the City can borrow money at lower rates to fund critical infrastructure projects that put Chicagoans to work;

- \$325 million in a mid-term budget relief fund to help balance our budgets through 2012;
- \$100 million human infrastructure fund to support programs helping those most in need like Meals on Wheels, Low-Income Housing Trust Fund, and ex-offender and other job programs; and
- The balance—nearly \$320 million—in a budget stabilization fund that may be used to help bridge the period until the nation's economy begins to grow again. Given the performance of the economy so far this year, there is no question that this fund will allow the City to continue vital services and avoid steep tax increases. If the City did not have these funds, it would be in much worse shape financially and would be forced to drastically raise taxes or cut City services. No other major city currently has a \$320 million rainy day fund that they can use to help mitigate the need to make additional cuts or raise taxes.

A total of \$150 million was used to balance the 2009 budget. If the City did not have that \$150 million, it would have to significantly cut taxes or make cuts to vital services like police, fire fighting, garbage collection, or snow removal.

Were there problems with the concessionaire's implementation?

There were some problems with collections and the labeling of some meters. Those problems, however, were immediately addressed.

The agreement between the City and the concessionaire requires it to allow for cashless payments for all meters by 2011. The concessionaire, however, has announced plans to replace more than 30,000 parking meters with about 3,000 pay boxes in 2009. The concessionaire will assume this cost which is between 40 and 50 million.

Pay boxes come with many benefits, including the use of credit and debit cards, as well as continued use of quarters and dollar coins. Further, one pay box takes the place of many single space meters, which un-clutters sidewalks and adds to neighborhood beautification efforts. In addition, the devices improve repair times as they are wirelessly connected to a monitoring hub, notifying the concessionaire when a meter is broken or needs collection. And, they even provide a receipt that can be used for reimbursement or for tax purposes. Meter repairs continue to improve and are less than the required two business days. Also, there are many fewer calls about broken meters.

Other cities throughout the United States are already looking to follow Chicago's lead and privatize their parking meter operations.

What does the addition of pay and displays mean to bicyclists?

Many bicyclists chain their bikes to meter poles. As pay boxes are installed, the City is leaving one or two meters on each block to provide bicyclists with options for parking their bikes. The City is working towards the permanent installation of bike racks throughout heavily trafficked areas. Requests for bike racks can be made by contacting 311.

What do I do if I park at a broken meter?

You may park at a broken meter for free, but you must report the meter as broken within 24 hours. The concessionaire operates a 24/7 customer service system for the reporting of broken meters and other inquiries. Should you park at a broken meter, please call 877.242.7901.

I received a ticket for parking at a broken meter. What should I do?

Please report the broken meter. All reports of broken meters are investigated promptly. Then please request an in-person hearing or contest the violation by mail. Hearing officers have access to this information and can review it during your hearing.

For other questions about parking tickets, please contact the City at: 312.744.PARK

Chicago Parking Meter

Facts



Why does the City have parking meters?

By limiting the time that a vehicle may park in a particular space, meters play a vital role in facilitating traffic management, promoting local business, and controlling pollution.

Properly priced parking meters create turnover and availability, making locations served by meters more popular.

Rates were increased in Chicago at many parking meters in early 2009. Before that, meter rates had not been increased at nearly 75% of the parking meters in more than two decades. Meter rates were not keeping pace with the price of off-street parking (parking in lots is still much more expensive), and the demand for on-street parking was growing at a faster pace than supply. When parking meters are under-priced, they promote cruising for parking spaces. This ultimately leads to increased congestion, travel times, and pollution. Under-priced meters also subsidize automobile use at the cost of public transportation.

Business groups have provided positive feedback thus far. Even with the recent rate increase, the average meter rate in Chicago is comparable and often less than other U.S. cities.

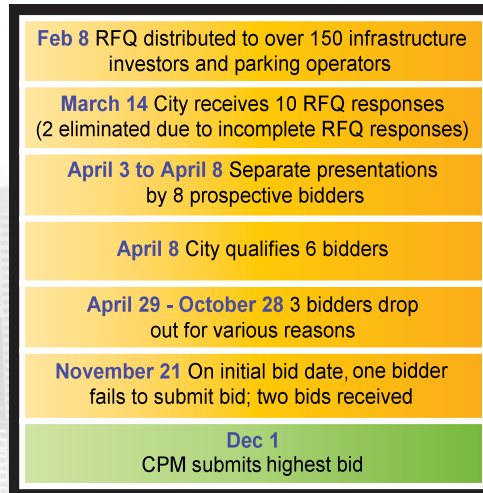
What is the parking meter concession?

The City of Chicago recently entered into a concession agreement for parking meter operations with a private concessionaire called **Chicago Parking Meters, LLC**. The agreement requires the concessionaire to maintain and repair the meters for 75 years in return for the revenue from the meters. In return, the concessionaire paid the city \$1.156 billion. Chicago Parking Meters LLC has selected LAZ Parking to collect and maintain the meters.

How was the concessionaire selected?

The City sent a request for qualifications to more than 150 infrastructure investors and parking investors in February 2008. Responses were received from 10 prospective bidders. Six were deemed qualified. Ultimately, two companies bid, and the highest bidder, Chicago Parking Meters, LLC, was chosen on December 1, 2008.

Bidding Process



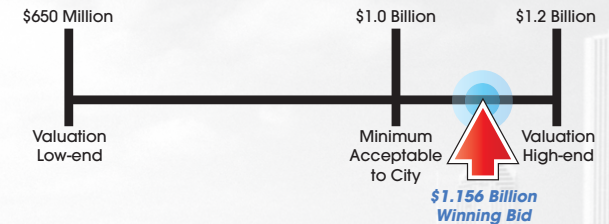
Did the City get a good deal?

Yes, the City received a very good deal. Financial advisors to the City used modeling software to determine the range of likely bids. They predicted bids of between \$650 million and \$1.2 billion for the system. A detailed discussion of the evaluation model can be found online at cityofchicago.org/revenue.

The City's minimum acceptable bid was \$1 billion, a figure calculated to compensate for the loss of existing meter revenues and stabilize the budget while adding \$400 million to the City's long-term reserve fund.

There were two initial bidders. Their bids were within 10% of each other, and the City exercised its right to have them bid again. This resulted in a best and final bid of \$1.156 billion from Chicago Parking Meters, LLC, \$148 million more than the original high bid. As the following graph demonstrates, that bid was at the very top range of the City's value predictions.

Valuation Process



It is important to note that the concessionaire owns the risk of installing equipment, escalating labor costs, fuel costs, expanded use of public transportation, and, most importantly, fewer drivers. Some reports suggest that the City could have received more money for the meter lease, but their analyses fail in many ways, the most significant being the method used to calculate risk and what a dollar in the future is worth. For more information about the valuation process please visit cityofchicago.org/revenue.

How is that money being used?

The cash that the City received from the meter deal allowed the City to avoid a serious budget crisis. Although future budgets will be difficult, the City's position is much better than other large cities throughout the United States. The \$1.15 billion in net proceeds from the parking meter transaction has been allocated to four areas, including:

- \$400 million in a long-term reserve/revenue replacement fund, similar to the \$500 million long-term Chicago Skyway reserve, which has brought the City's total long-term reserves to \$900 million and provided a financial cushion most cities don't have.